

8 March 2011

Synopsis of the VCS Version 3 Consultation and Release

1 INTRODUCTION

The Verified Carbon Standard (VCS) Program has been developed to provide a rigorous, trustworthy and innovative global standard and framework for GHG emission reduction and removal projects. As part of its work to further strengthen the program and expand its scope, the VCS Association (VCSA) conducted a public stakeholder consultation on the VCS Program and released an updated version of the program, *VCS Version 3*, on 8 March 2011. *VCS Version 3* is the third major edition update of the VCS, following on from *VCS Version 1*, and *VCS 2007* and *VCS 2007.1* (which were two releases of the same version, but with the latter version incorporating the AFOLU specifications).

The new *VCS Version 3* program documentation expands the scope and functionality of the program in a number of areas, clarifies program rules and requirements, and incorporates the text of program updates issued since the launch of *VCS 2007*.

The purpose of this document is to provide a summary of the consultation process (Section 2), a synopsis of comments received and a summary of how these have been taken due account of in developing the *VCS Version 3* program documentation (Section 3), and a summary of the differences between *VCS 2007.1* and *VCS Version 3* (Section 4).

2 CONSULTATION PROCESS

The *VCS Version 3* was developed via a public stakeholder consultation process, as follows:

- 1) The VCSA edited the *VCS 2007.1* documents to include the proposed updates and changes. As part of this process, the documents were restructured, with the new documents categorised into requirements documents, procedural documents and templates.
- 2) The updated and amended documents were issued for public stakeholder consultation on 12 August 2010, for a 60 day comment period (with the exception of the *AFOLU Non-Permanence Risk Tool*, see below). A summary document was also issued, which outlined the purpose of the consultation, and provided an overview of the new program document structure and a summary of the updates and changes made to each of the documents. The program documents and the summary document were posted on the VCS website and notification was sent to the VCS news distribution list and the Climate-L listserv.
- 3) The VCSA held three webinars (to cover different time zones) on 19 August 2010, to provide an overview of the proposed updates and changes, and the consultation process.
- 4) The *AFOLU Non-Permanence Risk Tool* was issued for public stakeholder consultation on 22 September 2010, for a 60 day comment period. This document was released at a later date due to the extra time required to finalise the proposed updates and changes.

- 5) The VCSA logged and tracked all comments on a spreadsheet. All comments were reviewed and taken due account of in the development of the final *VCS Version 3* documents. Where necessary and appropriate, the VCSA worked with stakeholders to solicit their further input.
- 6) The *VCS Version 3* was issued by the VCSA on 8 March 2011.

3 SYNOPSIS OF COMMENTS RECEIVED

The public stakeholder consultation yielded 38 individual submissions, which contained within them a total of 480 separate comments. Of these comments, 349 were with respect to the program documents issued for consultation on 12 August 2010, and 131 were with respect to the *AFOLU Non-Permanence Risk Tool* issued for consultation on 22 September 2010. Of the total 480 comments, 302 related to the AFOLU part of the VCS Program.

The 38 individual submissions came from 12 project developers, nine non-profit organizations, eight consulting firms, three validation/verification bodies, three VCS registries, one carbon standard setting organization, one carbon retailer and one regional development agency.

The comments received can be classified into five categories, with an even spread of comments across the various categories, with the exception of the fifth category under which there were very few comments. The categories are as follows:

- 1) Comments seeking further clarification on the new text in the program documents. For example, clarification was sought on whether the rules with respect to immediate crediting of future avoided emissions was applicable to REDD projects.
- 2) Comments requesting further clarity within the text of the program documents. For example, it was requested that the program documentation be clearer on the concept of project proponent and who is entitled to be project proponent.
- 3) Comments requesting expanded detail within the text of the program documents. For example, it was noted that further specification and detail was required in respect of grouped projects.
- 4) Comments seeking changes or additions to the text of program documents. For example, it was requested that explicit rules be added with respect to the development of methodologies using a modular approach, and changes were requested to the way certain risk factors are assessed within the *AFOLU Non-Permanence Risk Tool*.
- 5) Comments raising conceptual issues with respect to the VCS Program. For example, the question of incentives for projects in countries with binding limited on GHG emissions was raised.

Table 1 provides a summary of the comments received and how these have been taken due account of in the preparation of the final *VCS Version 3* program documents.

Table 1: Summary of Comments Received

#	Item	Description	Reference
1	VCS Version 3 document structure	The proposed new structure was well received and has been maintained in the final documents. However, there has been further streamlining (re-wording) of some of the document names.	All documents
2	Version control of program documents	Comments were receiving requesting clarification on when use of the new VCS version becomes mandatory and for how much longer the <i>VCS 2007.1</i> can be used. This has been clarified in the <i>VCS Program Guide</i> . This document also now describes the version numbering system and release procedure for VCS program documents.	<i>VCS Program Guide</i> , Section 1.1
3	Role of VCSA in oversight of the VCS Program	Comments were received registering concern over the authority the VCSA has explicitly stated it has with respect to oversight of the VCS registry system and the methodology approval process. In response to this, the VCSA consulted further with its legal advisors and the VCS Board. The <i>VCS Program Guide</i> has been updated to provide further clarification on the precise rights that the VCSA has with respect to rejection of projects or non-approval of methodologies. The circumstances under which projects and VCUs can be delisted has been narrowed, though the basic rights the VCSA has with respect to oversight of the program remain.	<i>VCS Program Guide</i> , Section 2.5.6
4	Compensation mechanism	Only comments and requests for clarification were received on the proposed language for the mechanism to compensate methodology developers. As such, only minor revisions to the language were required.	<i>Methodology Approval Process</i> , Section 5.2 <i>VCS Program Guide</i> , Section 6.2
5	Timing of crediting	Comments were received requesting clarification on immediate crediting of future avoided emissions, in particular whether REDD methodologies could apply this crediting model. The VCS Standard has been updated to clarify that the crediting model is only applicable where the future stream of emissions is permanently precluded, such as is the case with ozone-depleting substances and composting projects.	<i>VCS Standard</i> , Section 2.3

#	Item	Description	Reference
6	Multiple project activities	Comments were received on the efficacy of rules and requirements for projects including multiple project activities (i.e., where the methodology allows more than one project activity or the project is applying more than one methodology). The rules and requirements were refined and further granularity provided where needed.	<i>VCS Standard</i> , Section 3.2, <i>AFOLU Requirements</i> , Section 3.1.7
7	Grouped projects	Comments were received requesting clarification and further specification on grouped projects. In response, the <i>VCS Standard</i> and <i>AFOLU Requirements</i> have been updated to more clearly describe the concept of grouped projects and to further clarify and specify determination of baseline and additionality, impact of capacity limits associated with methodologies applied to projects, determination of eligibility criteria for including new project activity instances, process for inclusion of new project activity instances, and buffer and leakage assessments for AFOLU grouped projects.	<i>VCS Standard</i> , Section 3.4, <i>AFOLU Requirements</i> , Section 3.7
8	Methodology deviations	Comments were received stating that methodology deviations should be allowed at validation or verification, and that what is allowed as a methodology deviation is overly narrow. The <i>VCS Standard</i> has been updated to allow methodology deviations at validation or verification. However, the specification for what constitutes a methodology deviation remains the same and is consistent with the approach applied under other GHG programs. Larger digression from the methodology applied to a project must be treated as a methodology revision to ensure the appropriate rigour is applied in the process.	<i>VCS Standard</i> , Section 3.5
9	Project location	Comments were received stating that the language on project location (specification of same in the project description) used inaccurate terminology. Language was corrected and further specification was provided on the requirements for distributed projects.	<i>VCS Standard</i> , Section 3.11

#	Item	Description	Reference
10	Emission trading schemes and other binding limits	Comments were received with respect to the VCS requirement that projects in jurisdictions with binding limits on GHG emissions need to secure the cancellation of allowance units. While some comments suggested the removal of this requirement, others supported maintaining the current VCS requirement. Following extensive follow-up consultation and discussion with the VCS Board, it has been decided that the VCS rules should remain unchanged. However, the VCSA expects to issue a discussion paper on the topic in 2011, to solicit further feedback and proposals on a possible path forward.	<i>VCS Standard</i> , Section 3.12.2
11	Registration of CDM Program of Activity projects	Comments were received requesting specification of the rules for registration of CDM Program of Activity projects (for the purpose of issuance as VCUs of the pre-CDM registration emission reductions). Rules have been provided.	<i>VCS Standard</i> , Section 3.12.4
12	Modular methodologies	Comments were received requesting that rules and requirements be provided for the development and assessment of methodologies using a modular approach. These have been provided, along with a template for VCS modules	<i>VCS Standard</i> , Section 4.1, <i>VCS Module Template; Methodology Approval Process</i> , Section 7
13	Procedure for determining baseline scenario	Comments were received stating that the criteria and procedures in a methodology for determining the baseline scenario should be for determining the most plausible baseline scenario, not the most conservative. The <i>VCS Standard</i> has been updated accordingly.	<i>VCS Standard</i> , Section 4.5
14	Negative validation conclusions	Comments were received drawing attention to the fact that the VCS rules do not require a validation/verification body (VVB) to provide a negative validation conclusion to the VCSA, and that project proponents are therefore free to go to other VVBs to attempt to have their projects validated. A procedure has been introduced whereby negative validation conclusions must be provided to the VCSA, registries need to check the list of rejected projects prior to registration, and the project is ineligible for registration until such time as the VVB's findings are addressed.	<i>VCS Standard</i> , Section 5.3.1

#	Item	Description	Reference
15	Terminology of project crediting period	Comments were received stating that the term <i>partial project crediting period</i> was confusing. This term has been removed. Instead, using non-AFOLU projects as an example, <i>project crediting period</i> refers to the initial 10 years and <i>total project crediting period</i> is used when referring to the full 30 years of crediting.	<i>VCS Standard, Registration and Issuance Process</i> , program documents
16	Process of methodology assessment	Comments were received requesting clarification on whether the first and second validation/verification bodies could assess a methodology in parallel, or whether the work must be done in series. Clarification has been provided.	<i>Methodology Approval Process</i> , Section 3.5.3
17	Resolution of issues in methodology assessment	Comments were received requesting clarification on the procedure for clarification and facilitation by the VCSA in resolving technical issues in the methodology approval process. The procedure has been set out.	<i>Methodology Approval Process</i> , Section 3.7
18	Structure of VCS template documents	Comments were received requesting that the structure of VCS templates such as those for project descriptions and methodologies be made consistent with each other and with the structure of the <i>VCS Standard</i> . Templates have been restructured accordingly.	Template documents
19	AFOLU baseline updates	Comments were received requesting clarification to the requirements for IFM and REDD projects to re-assess the baseline every 10 years. Further specification has been provided.	<i>AFOLU Requirements</i> , Section 3.1.10
20	Definition and accounting for reversals in AFOLU projects	Comments were received requesting clarification on the definition of a reversal and how such events shall be accounted for. Further specification has been provided.	<i>AFOLU Requirements</i> , Section 3.6
21	Pools and sources to be included in AFOLU methodologies	Comments were received requesting clarification to the pools and sources that shall or may be included in AFOLU methodologies and where such pools and sources may be considered <i>de minimis</i> and may be excluded. Clarification has been provided.	<i>AFOLU Requirements</i> , Section 4.3
22	Mosaic and frontier unplanned deforestation and degradation	Comments were received requesting clarification to the definition and requirements for unplanned deforestation and degradation in the mosaic and frontier configurations for REDD projects. Such configurations have been combined into a single category and clarification with respect to baseline determination has been provided.	<i>AFOLU Requirements</i> , Section 4.2.9, 4.4.8

#	Item	Description	Reference
23	Long-term average carbon stock in AFOLU projects with harvesting	Comments were received requesting clarification to the requirements for determining the long-term average carbon stock in AFOLU projects with harvesting (above which credits may not be issued). Clarification has been provided.	<i>AFOLU Requirements, Section 4.5.3</i>
24	Leakage	Comments were received requesting clarification of the requirements for activity shifting and market leakage. Clarification has been provided. In addition, the VCSA is undertaking a review and revision of the requirements for leakage which are expected to be released as an update in the second half of 2011.	<i>AFOLU Requirements, Section 4.6</i>
25	AFOLU Non-Permanence Risk Tool	A substantial number of comments were received on the AFOLU Non-Permanence Risk Tool, with respect to clarity and structure of the tool. The tool has been revised and restructured.	<i>AFOLU Non-Permanence Risk Tool</i>
26	Peat Rewetting and Conservation	Comments were received on the Peat Rewetting and Conservation requirements with respect to several issues, including accounting for GHG emissions reductions from fire, appropriate proxies for GHG emissions and eligible activities. Clarification has been provided.	<i>AFOLU Requirements</i>

4 SUMMARY OF VCS VERSION 3 UPDATES

VCS *Version 3* contains a number of updates and changes to the VCS rules and requirements that are set out in *VCS 2007.1*. These updates and changes reflect the comments received as part of the public stakeholder consultation described above, as well as on-going work by the VCSA to further improve the clarity and efficacy of the VCS rules and requirements.

Table 2 summarizes the revisions to the structure of the VCS Program documents. In order to streamline the program documents and make them more user friendly, the content of some of the documents has been restructured and some of the document names have been changed.

Table 2: Revisions to the Structure of the Program Documents

#	Item	Description	Reference
1	VCS Program Guide and VCS Standard documents	The <i>Program Guidelines</i> document has been renamed as the <i>VCS Program Guide</i> , to clarify that it sets out the rules and requirements for the program rather than just guidelines. The content and structure of the <i>VCS Program Guide</i> and <i>VCS Standard</i> documents have been revised to clarify that the former is the overarching program document (describing its constituent parts), while the latter provides the requirements for projects and methodologies (and should be read in conjunction with the other program documents). Further, the <i>VCS Standard</i> has been restructured to draw the distinction between project-level and methodology-level requirements.	<i>VCS Program Guide, VCS Standard</i>
2	AFOLU requirements	The <i>Guidance for AFOLU Projects</i> and <i>Tool for AFOLU Methodological Issues</i> documents have been combined into a single document. The new <i>AFOLU Requirements</i> document is structured to provide (separately) project-level and methodology-level requirements. See Table 3 below for further information. The <i>AFOLU Requirements</i> document also now contains the process for the approval of AFOLU non-permanence risk analyses and market leakage evaluations, which was previously in the <i>Double Approval Process</i> document.	<i>AFOLU Requirements</i>
3	ODS requirements	The requirements for ozone-deplete substances projects and methodologies have been inserted into a new document, <i>ODS Requirements</i> . The requirements are unchanged from the 25 January 2010 VCS Program Update that first included ODS within the scope of the program.	<i>ODS Requirements</i>
4	Program fees	The various fees under the program (e.g., VCU issuance levy and methodology approval process administration fee) have been moved out of the specific program documents into a new document, <i>Program Fee Schedule</i> .	<i>Program Fee Schedule</i>
5	Program definitions	The program definitions have been moved out of the various program documents into a new document, <i>Program Definitions</i> . Some definitions have been revised to more accurately portray their intended meaning.	<i>Program Definitions</i>

#	Item	Description	Reference
6	Other renamed and new documents	<p>In addition to the above, the following documents have been renamed:</p> <ul style="list-style-type: none"> • <i>Project Registration and VCU Issuance Process</i>, re-issued as <i>Registration and Issuance Process</i> • <i>Double Approval Process</i> re-issued as <i>Methodology Approval Process</i> • <i>Tool for AFOLU Non-Permanence Risk Analysis and Buffer Determination</i>, re-issued as <i>AFOLU Non-Permanence Risk Tool</i> <p>The following new documents have been introduced:</p> <ul style="list-style-type: none"> • <i>ODS Requirements</i> (the rules and requirements for ODS projects and methodologies) • <i>Methodology Template</i> (mandatory template for new methodologies and methodology revisions) • <i>Module Template</i> (mandatory template for new modules and tools) • <i>VCS Non-Permanence Risk Report Template</i> (mandatory template for AFOLU non-permanence risk reports) • <i>Deed of Partial Release Template</i> (new deed template to allow release of a project proponent from a registered project) • <i>Deed of Accession Template</i> (new deed template to allow a new project proponent to join a registered project) 	Program documents
7	Program updates	The text of all program updates issued since the launch of the <i>VCS 2007</i> has been incorporated into the program documents.	Program documents

Table 3 summarizes the updates and changes, and is intended to be used as a quick reference for project proponents, methodology developers, validation/verification bodies and other stakeholders. This summary is, necessarily, an overview only and the *VCS Version 3* program documents should be read for the full detail of the *VCS Version 3* rules and requirements.

Table 3: Summary of VCS Version 3 Updates

#	Item	Description	Reference
VCS PROGRAM GUIDE			
1	Oversight of the VCS Program	The role and rights of the VCSA with respect to oversight of the VCS Program have been clarified and strengthened.	<i>VCS Program Guide</i> , Section 2.5.6

#	Item	Description	Reference
2	Compensation mechanism	The compensation mechanism for methodology developers has been incorporated into VCS Program.	<i>VCS Program Guide, Section 6.2; Methodology Approval Process, Section 5.2</i>
4	Complaints and appeals	The complaints and appeals procedure has been clarified and strengthened. Complainants and appellants may be liable for covering the costs or complaints/appeals.	<i>VCS Program Guide, Section 8</i>
5	Temporary accreditation and methodology assessment	The scope of temporary accreditation has been revised such that validation/verification bodies are not eligible to conduct assessment of methodology elements under temporary accreditation.	<i>VCS Program Guide, Section 5.2</i>
VCS STANDARD			
6	Accuracy and conservativeness	The project-level principles have been updated to clarify that conservativeness may serve as a moderator to accuracy under certain circumstances.	<i>VCS Standard, Section 2.4</i>
7	Application of methodology	It has been clarified that methodologies shall be applied in full, including adherence to any applicable capacity limit thresholds.	<i>VCS Standard, Section 3.1</i>
8	Multiple project activities	Rules and requirements have been provided for projects including multiple project activities (ie, where the methodology allows more than one project activity or the project is applying more than one methodology).	<i>VCS Standard, Section 3.2</i>
9	Multiple instances of project activities	Rules and requirements have been provided for projects including more than one project activity instance (such as for a wind power project including a number of turbines). The new text merely makes explicit the way that such projects are already handled under the VCS and other GHG programs.	<i>VCS Standard, Section 3.3</i>
10	Grouped projects	Full rules and requirements for grouped projects have been provided, including for the validation and verification of grouped projects.	<i>VCS Standard, Section 3.4, AFOLU Requirements, Section 3.7</i>

#	Item	Description	Reference
11	Distinction between methodology deviations and revisions, and requirements for monitoring plan deviations	Clarification has been provided on the distinction between methodology deviations and methodology revisions. Methodology deviations are allowed at validation or verification. Further, specific requirements for monitoring plan deviations are provided. Monitoring plan deviations are distinct from methodology deviations.	<i>VCS Standard</i> , Section 3.5, 3.6, 4.2
12	Project start date for AFOLU projects	AFOLU projects completing validation after 8 March 2013 must complete validation within five years of the project start date. For projects with early start dates, further guidance has been provided as to what constitutes evidence that the project was designed and implemented as a GHG project from its inception.	<i>VCS Standard</i> , Section 3.8.2
13	Micro projects	The category and process for micro projects and micro project verifiers has been removed.	<i>VCS Standard</i>
14	Project location	Specific requirements have been provided with respect to the identification of the project location in the project description.	<i>VCS Standard</i> , Section 3.11
15	Participation under other GHG programs	For projects participating under other GHG programs (such as the CDM), the requirements for the VCS gap validation have been updated. Clarification has been provided that projects cannot claim VCUs beyond the end of the total project crediting period under another GHG program. Restrictions have been specified with respect to sequential registration of AFOLU projects under the VCS Program and another GHG program.	<i>VCS Standard</i> , Section 3.12.4
16	Registration of CDM Program of Activity projects	Rules have been provided for registration of CDM Program of Activity projects (for the purpose of issuance as VCUs of the pre-CDM registration emission reductions).	<i>VCS Standard</i> , Section 3.12.4
17	Projects rejected by other GHG programs	The rules with respect to projects rejected by other GHG programs have been streamlined, to apply the same rules regardless of whether the project is rejected by an approved GHG program or any other GHG program.	<i>VCS Standard</i> , Section 3.12.5
18	Additionality	It has been clarified that projects must demonstrate additionality in accordance with the methodology applied, and methodologies must use the VCS requirements to establish a full and detailed procedure for demonstrating additionality (reference to the VCS requirements alone is insufficient).	<i>VCS Standard</i> , Section 3.15, 4.6

#	Item	Description	Reference
19	Content of project description	The required content of project descriptions has been further clarified.	<i>VCS Standard, Section 3.19.1</i>
20	Commercially sensitive information	Clarification has been provided on what information may be deemed as commercially sensitive information.	<i>VCS Standard, Section 3.19.2</i>
21	Methodology Template	A VCS methodology template has been provided and its use becomes mandatory for methodologies and methodology revisions.	<i>VCS Standard, Section 4.1, VCS Methodology Template, Methodology Approval Process</i>
22	Modular methodologies	Rules and requirements for the development of methodologies using a modular approach have been provided, along with a mandatory template for VCS modules	<i>VCS Standard, Section 4.1, VCS Module Template, Methodology Approval Process</i>
23	Uncertainty analysis	It has been specified that methodologies must apply a 95% confidence interval to estimate uncertainty.	<i>VCS Standard, Section 4.1</i>
24	Global warming potentials	Clarification has been provided with respect to the appropriate GWPs for methodologies/projects.	<i>VCS Standard, Section 4.8.1</i>
25	Negative validation conclusions	Where a validation/verification body produces a negative validation conclusion, the report must be provided to the VCSA and the project is ineligible to registration until such time as the VVB's findings are addressed.	<i>VCS Standard, Section 5.3.1</i>
26	Validation of projects using methodology revisions	A new requirement has been introduced with respect to the validation of projects that use methodology revisions.	<i>VCS Standard, Section 5.3.1</i>
27	Validation representation, verification representation	The name of the deed of representation issued by the validation/verification body in respect of the project validation has been changed in the VCS documents from validation statement to validation representation. This is to make the clarification between the validation statement which is part of the validation report (i.e., the validation conclusion), and the deed of representation (which is the deed prepared using <i>VCS Validation Deed of Representation Template</i>). Likewise, the verification statement has been renamed as the verification representation.	<i>VCS Standard, Section 5.3.3, program documents</i>

#	Item	Description	Reference
AFOLU REQUIREMENTS			
28	AFOLU risk assessment process	The procedures and requirements for AFOLU project risk assessment have been strengthened, including a new process for periodic review of a sample of AFOLU project risk assessments. This procedure has been added to ensure quality and consistency of the process and application of the <i>AFOLU Non-Permanence Risk Tool</i> , and replaces the requirement for double approval of AFOLU risk assessments.	<i>AFOLU Requirements</i> , Section 2.1.3
29	Multiple project activities	Rules and requirements have been provided for projects including multiple AFOLU project activities in different AFOLU categories (i.e., where the methodology allows more than one project activity or the project is applying more than one methodology).	<i>AFOLU Requirements</i> , Section 3.1.7
30	AFOLU baseline updates	It has been specified which aspects of IFM and REDD baselines must be reassessed every 10 years.	<i>AFOLU Requirements</i> , Section 3.1.10
31	Definition and accounting for reversals in AFOLU projects	The definition of reversal, catastrophic reversal and loss event have been added. Criteria and procedures for accounting for reversals and notifying the VCS registry in the event of a loss event have been set out.	<i>AFOLU Requirements</i> , Section 3.6, <i>Program Definitions</i>
32	Grouped projects	Requirements for buffer and leakage assessments in AFOLU grouped projects have been added.	<i>AFOLU Requirements</i> , Section 3.7
33	Eligible IFM activities	Additional specification on eligible IFM activities has been added.	<i>AFOLU Requirements</i> , Section 4.2
34	Pools and sources to be included in AFOLU methodologies	Specification on the pools and sources to be included have been revised to set out when a methodology shall or may include a pool or source and when methodologies shall include criteria and procedures for projects to determine where a pool or source shall or may be included in a project and where such pools or sources are below <i>de minimis</i> and may be excluded.	<i>AFOLU Requirements</i> , Section 4.3
35	Mosaic and frontier unplanned deforestation and degradation	REDD Mosaic and frontier unplanned deforestation and degradation have been combined into a single category and clarification with respect to baseline determination has been provided.	<i>AFOLU Requirements</i> , Section 4.2.9, 4.4.8

#	Item	Description	Reference
36	Long-term average carbon stock in AFOLU projects with harvesting	Criteria and procedures for determining the long-term average carbon stock and minimum project crediting period for AFOLU projects with harvesting have been added.	<i>AFOLU Requirements</i> , Section 4.5.3
37	Leakage	Specification has been included with regard to where market leakage must be assessed, ecological leakage (in PRC projects) has been added, and clarification has been made where leakage may be considered <i>de minimis</i> and may be excluded.	<i>AFOLU Requirements</i> , Section 4.6
38	Peat Rewetting and Conservation (PRC)	Requirements for the AFOLU category Peat Rewetting and Conservation (PRC) have been included.	<i>AFOLU Requirements</i>
METHODOLOGY APPROVAL PROCESS			
39	VCSA review of methodology elements	It has been specified that the VCSA will review methodology elements when initially submitted, after the first assessment and prior to final approval. The purpose of the earlier reviews is to assist the developer in identifying areas of non-compliance with VCS rules early in the process and therefore to streamline the overall assessment process.	<i>Methodology Approval Process</i> , Section 3.3.2
40	Acceptance of methodologies into the process, and final approval	The conditions under which the VCSA would not accept a methodology into the methodology approval process, or finally approve a methodology, have been clarified.	<i>Methodology Approval Process</i> , Section 3.3.2, 3.6.4
41	Posting of methodology elements after first assessment	The methodology approval process has been revised to state that the VCSA shall post methodology elements under development on the VCS website at the end of the first assessment.	<i>Methodology Approval Process</i> , Section 3.4.6
42	Procedure for clarification and facilitation by VCSA	The procedure for clarification and facilitation by the VCSA with respect to unresolved findings or the VCS rules has been explicitly set out.	<i>Methodology Approval Process</i> , Section 3.7
43	Inactive methodology elements	The procedure for handling methodology elements in the approval process that have become inactive has been specified.	<i>Methodology Approval Process</i> , Section 3.8
44	Eligibility of VVBs	The eligibility requirements for VVBs have been changed such that experience is determined in accordance with the ANSI project level groups rather than the JI sectoral scope groups.	<i>Methodology Approval Process</i> , Section 4.1

#	Item	Description	Reference
45	Compensation mechanism	The compensation mechanism for methodology developers has been incorporated into VCS Program.	<i>Methodology Approval Process</i> Section 5.2; <i>VCS Program Guide</i> , Section 6.2
46	Types of methodology revision	Clarification has been provided on the distinction between revisions to VCS methodologies and revisions to approved GHG program methodologies, with differing rules and requirements applying to each.	<i>Methodology Approval Process</i> , Section 6
47	Minor revisions to VCS methodology elements	It has been clarified that the VCSA can make minor revisions (such as correcting typos or other simple changes not requiring assessment by a VVB) to methodology elements after they have been approved via the methodology approval process.	<i>Methodology Approval Process</i> , Section 6
48	Assessment criteria for modules	The scope of assessment for new modules and tool has been provided.	<i>Methodology Approval Process</i> Section 7
49	Withdrawal and putting on-hold of methodology elements	Clarification has been provided on the process by which the VCSA may withdraw or put on hold methodology elements approved under the VCS Program	<i>Methodology Approval Process</i> , Section 8
REGISTRATION AND ISSUANCE PROCESS			
50	Participation under other GHG programs	For projects participating under other GHG programs (such as the CDM), the requirements for the VCS gap validation have been updated. Rules for AFOLU projects registered under the VCS and approved GHG programs have also been specified.	<i>Registration and Issuance</i> , Section 3.1.5, 3.1.7
51	AFOLU pooled buffer account	Further detail on the assignment and release of buffer credits for AFOLU projects has been provided.	<i>Registration and Issuance Process</i> Section 5
52	Switching project proponent	Requirements have been updated with respect to switching a project's project proponent(s).	<i>Registration and Issuance</i> , Section 6.5
AFOLU NON-PERMANENCE RISK TOOL			
53	Re-release of the AFOLU Non-Permanence Risk Tool	The <i>AFOLU Non-Permanence Risk Tool</i> has been revised and strengthened to remove subjectivities in the tool, including a revised approach to determining the risk rating for individual risk factors and the total risk rating of the project. Definitions of key terms and types of documentation that are acceptable as evidence of risk factor ratings have been added. Clarification on the process for validation and verification of the risk assessment has been added.	<i>AFOLU Non-Permanence Risk Tool</i>